

MINUTES
MICHIGAN STATE TRANSPORTATION COMMISSION MEETING
March 25, 2004
Lansing, Michigan

Meeting noticed in accordance with Open Meetings Act, Public Act 267 of 1976.

Present: Ted Wahby, Chairman
 Betty Jean Awrey, Vice Chairwoman
 Robert Bender, Commissioner
 Linda Miller Atkinson, Commissioner
 Vincent J. Brennan, Commissioner

Also Present: Gloria J. Jeff, Director
 Kirk Steudle, Chief Deputy Director
 Patricia A. Lockwood, Commission Advisor
 Marneta Griffin, Executive Assistant
 Jerry Jones, Commission Auditor
 Patrick Isom, Assistant Attorney General
 Larry Tibbits, Chief Operations Officer
 Myron Frierson, Director, Finance and Administration
 John Friend, Director, Bureau of Highway Delivery
 Polly Kent, Policy Administrator
 Jackie Shinn, Economic Development
 Carmine Palombo, Transportation Asset Management
 Susan Mortel, Transportation Planning
 John Polasek, Director, Bureau of Highway Development

Excused: John Garside, Commissioner

A list of those people who attended the meeting is attached to the official minutes.

Chairman Wahby called the meeting to order at 9:00 a.m. in the Bureau of Aeronautics Auditorium in Lansing, Michigan.

I. APPOINTMENTS

Chairman Wahby welcomed the two new appointees, Commissioners Linda Miller Atkinson and Vincent J. Brennan, to the Commission.

II. **COMMISSION BUSINESS**

Commission Minutes

Chairman entertained a motion for approval of the minutes of the State Transportation Commission meeting of February 26, 2004.

Moved by Commissioner Awrey, with support from Commissioner Bender, to approve the minutes of the Commission meeting of February 26, 2004. MOTION CARRIED.

III. **RESOLUTIONS**

Resolution 2004-2 Federal Transportation Funding Reauthorization - Director Jeff

The current federal legislation extending the Transportation Equity Act for the 21st Century (TEA 21) expires April 30, 2004. Federal funding is critical to the ability of the department and local agencies to continue to provide adequate transportation infrastructure and service. Michigan has long been a “donor state”, contributing a greater share to the Federal Highway Trust Fund and Mass Transit Account than the share of federal transportation funds returned for use in Michigan, and currently receives an 88% rate of return on its federal transportation revenues. Several different proposals have been or are being considered by Congress for the reauthorization of TEA 21, with funding levels ranging from a low of \$256 billion to a high of \$375 billion nationwide for six years. The Administration’s proposed SAFETEA legislation and the anticipated “scaled back” version of the House TEA LU bill make no provisions to address donor state equity and at the funding levels proposed of \$256 billion and \$275 billion respectively, would not be sufficient for Michigan’s transportation needs. The Senate has already acted on reauthorizing legislation, Senate Bill 1072, that would provide \$318 billion for highways and transit systems nationwide over six years and improves Michigan’s rate of return to 95% over the life of the bill. The Director asked the Commission to adopt this resolution which would not accept a reauthorization that does not substantially provide the department with the equity that is needed; does not expand the number of programs that would be included under the minimum allocation; does not get the department to a number substantially higher than the \$275 billion in a six year bill (the department would actually like the \$318 billion that the Senate passed). This would be consistent with positions that the Commission have taken in the past, as well as what the department and the Governor have taken.

Chairman Wahby entertained a motion to adopt Resolution 2004-2 Federal Transportation Funding Reauthorization. Motion was made by Commissioner Awrey, supported by Commissioner Bender to adopt this resolution.

Chairman Wahby asked for questions; none were forthcoming.

Ms. Lockwood called the roll; all answers were affirmative. Motion carried on a unanimous roll call vote.

Resolution 2004-3 Resolution of Appreciation to Commissioner Lowell B. Jackson

Commissioner Jackson was not present at this meeting. However, Chairman Wahby expressed thanks for his participation. In lieu of reading the resolution at this time, he stated that Commissioner Jackson would be brought back at a later time to officially present him with the resolution.

Chairman Wahby entertained a motion to adopt Resolution 2004-3 Resolution of Appreciation to Commissioner Lowell B. Jackson. Motion was made by Commissioner Bender, supported by Commissioner Awrey to adopt this resolution. Ms. Lockwood called the roll; all answers were affirmative. Motion carried on a unanimous roll call vote.

Resolution 2004-4 Resolution of Appreciation to Commissioner C. Robert Baillod

Commissioner Baillod was not present at this meeting. However, Chairman Wahby expressed thanks for his participation. In lieu of reading the resolution at this time, he stated that Commissioner Baillod would be brought back at a later time to officially present him with the resolution.

Chairman Wahby entertained a motion to adopt Resolution 2004-4 Resolution of Appreciation to Commissioner C. Robert Baillod. Motion was made by Commissioner Bender, supported by Commissioner Awrey to adopt this resolution. Ms. Lockwood called the roll; all answers were affirmative. Motion carried on a unanimous roll call vote.

IV. **DIRECTOR'S REPORT – DIRECTOR GLORIA J. JEFF**

Director Jeff stated that the most pertinent points of her report were covered in the resolution that the Commission adopted with respect to reauthorization. The department continues to work aggressively with the Congressional delegation to see to it that Michigan gets its fair share. The House of Representatives should be reporting to a full committee today a version of reauthorization that is a six year bill, but is only at the \$275 billion funding level. One of the major problems is that they have taken the bill that was at \$375 billion and proportionately reduced it. The difficulty with that proportional reduction is that there is about 1 years' worth of earmarks. The department ends up with a six year bill but five years worth of funding; this doesn't get us to 95%. The department feels that this is an inadequate and unacceptable bill, and will be urging the Michigan members of Congress to vote "no" if it stays at this level.

Chairman Wahby asked if anyone had questions for the Director; none were forthcoming.

Director Jeff welcomed the two new Commissioners to the State Transportation Commission, and stated that the department is looking forward to working with them. She expressed that Team MDOT is an extraordinary group of professionals that will provide them with an abundance of opportunities and information relating to transportation.

V. **OVERSIGHT**

Commission/State Administrative Board Contracts and Agreements (Exhibit A and /Supplemental Exhibit A) – Myron Frierson

Ms. Lockwood stated that #4, 8 and 9 of Exhibit A, and #1 of Supplemental Exhibit A are subject to completion of internal review.

Mr. Frierson stated that the contracts in these exhibits are being submitted for Commission approval and asked if there were any questions. None were forthcoming.

Chairman Wahby entertained a motion. Motion was made by Commissioner Bender, supported by Commissioner Awrey to approve Exhibit A and Supplemental Exhibit A subject to completion of internal review. Motion carried.

Bid Letting Pre-Approvals (Exhibit A-1) – Myron Frierson

Mr. Frierson gave a brief recap of letting activity for the fiscal year. In March 2004, the department had 48 state projects that had low bids totaling \$88 million in comparison to 2003 which had 66 state projects that had low bids totaling around \$99 million. So far the department has had 273 projects, bids totaling \$430 million in comparison to last year which had 300 projects totaling about \$477 million. Estimated volume of bids for state projects this year will be \$703 million. So far we have achieved 16.2%, in comparison to last year where we achieved about 62% of our annual total.

Mr. Frierson further reported that in terms of technology used, in January it became mandatory that any bid for projects with engineers' estimate in excess of \$1 million must be bid electronically. Ninety-three percent of the bids were submitted electronically.

Mr. Frierson asked the Commission for approval of the April letting which will have 58 projects totaling about \$86 million. This includes 19 state projects with an estimated value of \$34 million, and 35 local projects totaling about \$36 million.

Chairman Wahby entertained a motion. Motion was made by Commissioner Awrey to pre-approve the April letting. Motion supported by Commissioner Bender and carried on a unanimous voice vote.

Letting Exceptions Agenda (Exhibit A-2) – John Polasek

Mr. Polasek stated that there are three items before the Commission; bid overages of 10% or more. Justification memos are attached to the exhibits. He asked if there were any questions regarding these items; none were forthcoming.

Mr. Polasek then asked the Commission for approval of Exhibit A-2.

Chairman Wahby asked Mr. Polasek to explain, for the benefit of the new Commissioners, why bids come up as exceptions.

Mr. Polasek explained that the Commission policy states that on projects over \$500,000, and with a low bid that comes in over 10% of the engineers' estimate, have to come to the Commission for approval. The justification memo explains why the contractors' bid came in over the engineers' estimate. Some reasons may be that the estimator is unable to accurately predict some things that are happening; i.e., rise in steel prices.

Chairman Wahby entertained a motion. Motion was made by Commissioner Bender to approve Exhibit A-2. Motion supported by Commissioner Awrey and carried on a unanimous voice vote.

Contract Adjustments (Exhibit B) – John Friend

Mr. Friend gave a brief overview of his role with the Commission. He stated that this exhibit contains 6 projects and asked the Commission to approval Exhibit B. Mr. Friend asked for questions; none were forthcoming.

Chairman Wahby entertained a motion for the approval of Exhibit B. Motion was made by Commissioner Bender and supported by Commissioner Awrey to approve Exhibit B. The motion carried on a unanimous voice vote.

VI. **EXCEPTION TO POLICY**

Bi-National Partnership Project. Metric Exception – Susan Mortel

Ms. Mortel welcomed the new Commissioners to the Commission. She reported that this policy (Policy Identifier 10100) currently states that the department shall utilize Standard English units of measurement at each stage of design, construction, and maintenance for all projects commenced after its original effective date (9/28/00). It shall not apply to projects the department has designed, or substantially begun a design for, in metric prior to its effective date (9/28/00). The department has adhered to this policy, but due to unanticipated circumstances (an international project), the Commission needs to make an exception. There is a feasibility study underway for a new crossing of the Detroit River and the Detroit/Canadian Border. The feasibility part of this study is now complete and the department is ready to move forward into the environmental clearance process. The department has formed partnerships with Transport Canada, Ontario Ministry of Transportation, and the Federal Highway Administration. The goal in conducting the environmental document is to have one process that meets all the requirements of both countries, giving us the clear path forward on this new project. The department has identified 5 corridors of opportunity in this feasibility study. Engineering is an integral part of the environmental process. Our Canadian partners have no experience in doing projects in English measurement. In addition to sharing numerous environmental and engineering documents/data, the department will be making joint decisions with them, making it necessary to use metric measurement. However, when communicating with the public on these types of projects, the department will use both English and metric in the final documents. Documents will be available on both sides of the corridor so it is extremely important that we have common understanding.

Ms. Mortel stated that Mike Nystrom would like to have brief comments before the Commission took a vote on this issue.

Mr. Nystrom of AUC and Michigan Pavement Association stated that his organization led the coalition against using metric measurement in September, 2000, because there was a lot of confusion during the implementation of the metric system in Michigan. However, he and his organization are now supporting the department in this endeavor with the Canadians and the use of metric measurement.

Chairman Wahby commented that with the circumstances that Ms. Mortel pointed out, this is the most logistical way to proceed.

Chairman Wahby entertained a motion to approve an exception to this policy (Identifier 10100). Motion was made by Commissioner Bender and supported by Commissioner Awrey to approve this exception. The motion carried on a unanimous voice vote.

Chairman Wahby asked Ms. Mortel to explain to the new commissioners her role with the Commission.

Ms. Mortel briefly stated that her role as Director of Planning entails bringing before the Commission issues pertaining to long-range planning, the Five Year Program, any planning and environmental issues.

VII. **PRESENTATIONS**

Asset Management Council Report – Carmine Palombo, Chairman

Mr. Palombo stated that the council held their regular meeting in early March. They have had various meetings around the state with the actual members of the crews to determine which processes for data collection work well, need to be revamped, or eliminated all together. They are looking to revise their methods before the next round of data collection takes place.

The TAMC is in the process of finalizing their work program for the next 2 years. They expect to act on this at their next council meeting April 7, 2004. They may have to go back and make changes due to the fact that the House Appropriations Sub-Committee cut the Councils' 2005 budget by \$325,000.00.

Mr. Palombo also reported that they are in the process of finishing their draft annual report which will be reported to the Commission at the April 29th meeting.

Asset Management Council Presentation

Mr. Palombo gave a PowerPoint presentation on their 2003 Data Collection process which highlighted the following: 1) Process used; 2) Cost of the Project; 3) Data/Results and; 4) their Next Steps.

Chairman Wahby asked for questions; none were forthcoming. A copy of the presentation is attached.

VIII. PUBLIC COMMENTS

Ms. Lockwood responded to Mr. North's request to have Director Jeff present during his public comment by stating that the Director was presently involved in a vote during the Aeronautics meeting that was taking place simultaneously. Ms. Lockwood further stated that this meeting is taped and any comments made would be passed on to the Director.

Douglas North of Northwest Hotels, Inc. and North Construction and Development gave brief comments regarding the Wisner extension during I-94 reconstruction in Jackson. Mr. North feels it is important to provide additional local road accessibility across I-94 during this reconstruct. He will be submitting information to the Director's office following a meeting with the Blackmon Township EDA on April 14th. He expressed gratitude to the Commission for approving the use of the Metric system as well as the Director and the department construction technicians, specifically Paul Cristini (University Region). Mr. North commended Mr. Cristini on being a true asset to MDOT.

Chairman Wahby asked if there were any questions for Mr. North; none were forthcoming.

Chairman Wahby stated for those in attendance that this is the last meeting for Patricia Lockwood as Commission Advisor. Ms. Lockwood will be leaving the Commission to take another Governor appointed position with the Michigan Department of Agriculture. Chairman Wahby publicly thanked Ms. Lockwood for all of her efforts and help with the Commission.

Chairman Wahby asked if any of the Commissioners had comments.

Commissioner Awrey congratulated Chairman Wahby for recently being named Board Chair of the Mt. Clemens General Hospital. The hospital held a major fundraising effort for their oncology department, and dedicated the Cancer Center to him for his success in raising \$10 million.

Chairman Wahby asked for other department heads that had not yet spoken to give a brief overview as to their role with the Commission:

Larry Tibbits, Chief Operations Officer - all field and highway operations around the state report to him. Mr. Tibbits stated that the department focus is on customer service.

Jackie Shinn, Chief of Staff and Office of Economic Development and Enhancement Program Administrator – Economic Development provides roadway improvements where there are new or expanding businesses in the state that require a particular transportation improvement in order to accommodate their new location or expansion; Enhancement Program (a Federal program) provides non-road related opportunities i.e.,

landscaping, streetscapes, pedestrian, trail and bikeways. Applications for these are analyzed and recommended for funding from her office; as Chief of Staff she serves on the Leadership Committee and in many other capacities for the Director.

Kirk Steudle, Chief Deputy Director – works directly with the Director and chairs special projects on behalf of the Department.

Patrick Isom, Assistant Attorney General – provides legal services to the Commission and to the department.

Jerry Jones, Commission Auditor – provides both internal and external audit services for the department.

Sharon Edgar, Passenger Transportation Administrator (on behalf of Rob Abent, Bureau Director of Multi-Modal Transportation and Director of Michigan Aeronautics Commission) – handles aviation, rail freight, rail passenger, intercity bus and bus transit issues.

Glenn Bukoski, Michigan Road Builders Association – represents over 300 contractors; primary source of business is building road and bridges for the department; welcomed the new commissioners.

Jim Steele, Division Administrator of Federal Highway Administration – his organization supplies the Federal funds to the department to do the federally assisted work.

Chairman Wahby asked if anyone else from the audience wanted to address the Commission; no comments were forthcoming.

ADJOURNMENT

There being no further business to come before the Commission, Chairman Wahby entertained a motion to adjourn the meeting. Motion made by Commissioner Bender, supported by Commissioner Awrey, carried on a unanimous voice vote. Chairman Wahby declared the meeting adjourned at 9:50 a.m.

Ms. Lockwood announced that the joint meeting with the Aeronautics Commission is scheduled for 11:00 a.m., there in the Auditorium, but based upon their schedule the meeting may be moved up.

The next full meeting of the Michigan State Transportation Commission will be held in Lansing, Michigan, on April 29, 2004, commencing at the hour of 9:00 a.m.

Patricia A. Lockwood
Commission Advisor